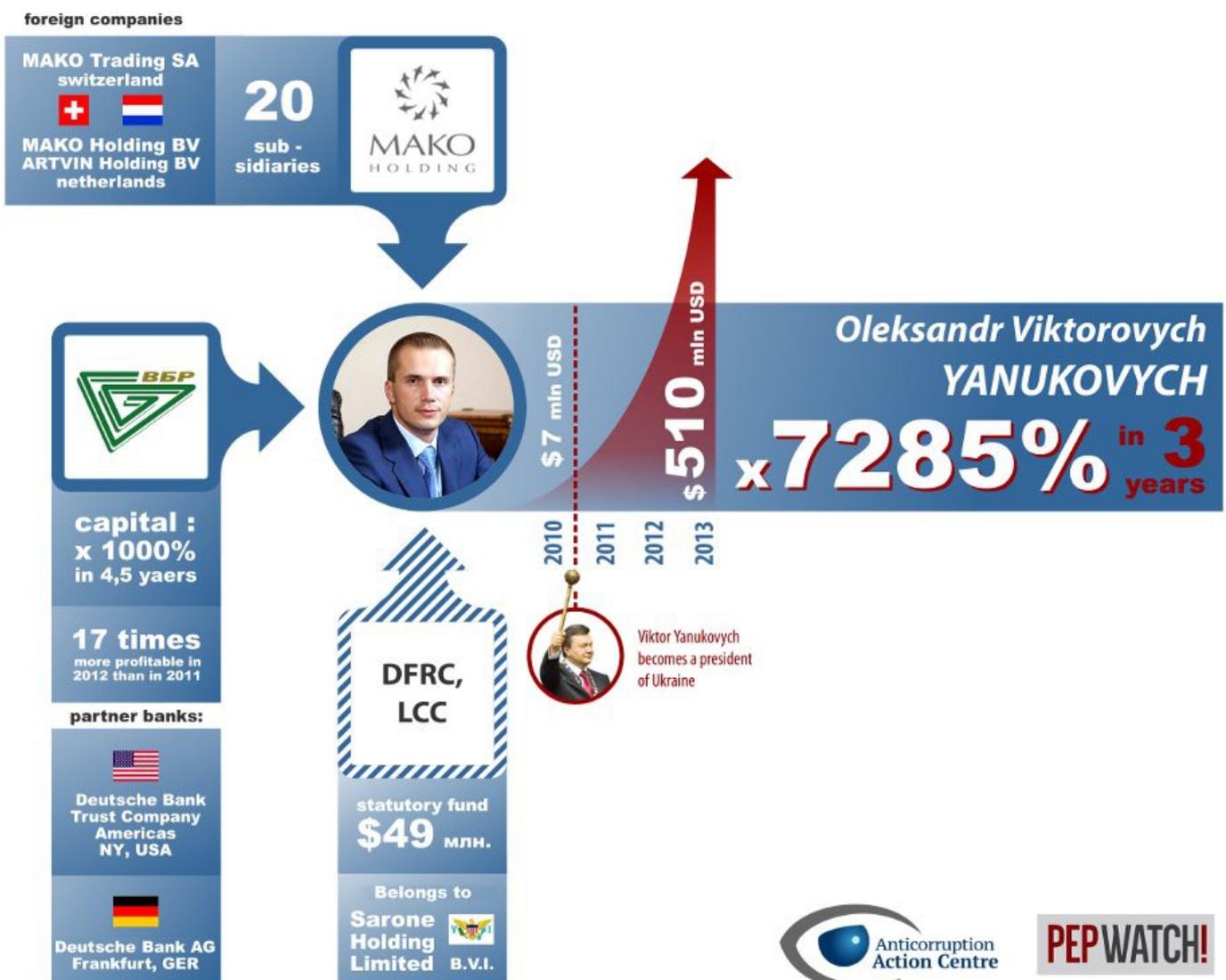


Oleksandr Yanukovych

Oleksandr Yankovych, a dentist by training, born in Donetsk in 1973, is currently one of the wealthiest businessmen in Ukraine and the second richest person in Donetsk after Rinat Akhmetov. In November 2013 Oleksandr Yanykovych assets are estimated by Forbes in total value of [510 million of USD](#).

The exponential rise of Oleksandr Yanukovych's business empire took place in 2010–2013, when his father held the post of President of Ukraine. Prior to 2010, Mr. Oleksandr Yanukovych owned only [Management Assets Corporation, LLC \(MAK, LLC\)](#) with a statutory capital of 55 mln UAH (less than \$7 mln USD).

The business interests of Oleksandr Yanukovych are concentrated around [Closed Joint Stock Company Ukrainian Bank of Development](#) and Closed Joint Stock Company Mako Holding.



1. Ukrainian Bank of Development (UBD)

CJSC Ukrainian Bank of Development was founded on April 23, 2009 [by Donsnabtara LLC](#), with a statutory capital worth of 80 million UAH.

Donsnabtara LLC, founded in 1995, was headed by [Mrs. Valentyna Arbuzova](#), mother of the incumbent Vice Prime Minister of Ukraine.

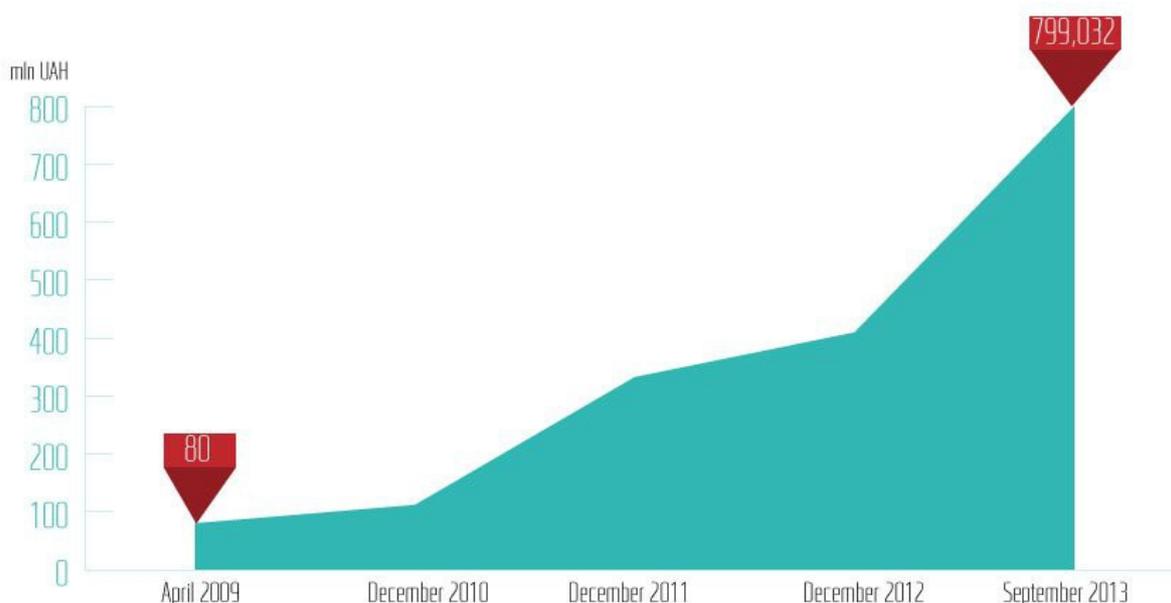
Since January 27, 2011 Oleksandr Yanukovych became a [100% owner](#) of the statutory capital of UBD. This happened less than two months after Serhey Arbuzov, a close friend of Mr. Oleksandr Yanukovych, was appointed as a head of National Bank of Ukraine. The mother of Mr. Serhey Arbuzov, Mrs. Valentyna Arbuzova has been Head of the Executive Board of UBD since its creation.

Since its establishment in April 2009 in four and a half years, UBD increased its capital 10 times. In 2013 UBD doubled its capital in comparison to the previous year. Interestingly, since December 24, 2012 Mr. Serhey Arbuzov, a son of head of UBD Mrs. Arbuzova, became the First Vice Prime Minister of Ukraine.

The chronology of UBD capital increase:

- [April 2009](#) — capital worth of 80 million of UAH
- [December 2010](#) — capital worth of 111,7 million of UAH
- [December 2011](#) — capital worth of 332,2 million of UAH
- [December 2012](#) — capital worth of 409,3 million of UAH
- September 2013 — capital worth of 799,032 million of UAH

The chronology of Ukrainian Bank of Development capital increase



The UBD's capital was increased through issuance of additional stock, which was all bought with cash by Oleksandr Yanukovych. Specifically, in May 2013 UBD issued additional stock worth of 412 million of UAH. Mr. Oleksandr Yanukovych bought the stock with his personal funds. Meanwhile, in [2011 the UBD increased](#) its net profit 17 times in comparison with 2010.

It is unclear what is origin of hundreds millions of cash invested by Oleksandr Yanukovych into his

bank in last three years. It could be from activities of Mako Holding, which are describe below. The closeness of Mr. Oleksander Yanukovych to the President of Ukraine allowed the UBD bank to get an array of extremely profitable contracts in 2010–2013 to serve and credit state institutions.



1. In February 2012 all employees of the central department of the Tax Service of Ukraine were transferred for banking services from state-owned Ukreximbank to relatively new UBD. The head of Tax Services of Ukraine Mr. Klymenko is known to be a good friend of Mr. Oleksandr Yanukovych and Mr. Arbuzov, at that time the head of the National Bank of Ukraine. Each of more than thousand employee received a «salary card» and a «deposit card» at the UBD. Each employee while receiving their salary, had a fix amount of their salary transferred to deposit card. This was involuntary payment. UBD in 2013 became one of a few banks

receiving the largest portion of [«salary projects»](#) for the employees of government institutions, including the Ministry of the Interiors, court administrations in Kyiv and Donetsk. According to the [Head of the Banks Association of Ukraine](#), civil servants are forced to use the services of the UBD on conditions imposed on them.

2. In 2013 UBD won a series of public procurement contracts to provide credits to state-owned railway enterprises [totaling at 978 million UAH](#). In particular, on November 14, 2013 state enterprise Odesa Railway signed a contract with the UBD for getting a credit line in U.S. dollars for 55,61 mln of UAH with 10.5% interest rate in USD. On November 8, 2013 Donetsk railway signed similar contract with the UBD for getting a credit line for 55,64 million of UAH.

The UBD serves Mako Holding company and its subsidiaries, which are either controlled or belong to Mr. Oleksandr Yanukovych.

The UBD uses the following [intermediary banks](#) for transfers in USD and Euros:

1. Deutsche Bank Trust Company Americas, New York, USA
 2. PJSC Commercial Bank KHRESCHATYK
 3. Deutsche Bank AG, Frankfurt am Main, Germany
2. Closed Joint Stock Company Mako Holding

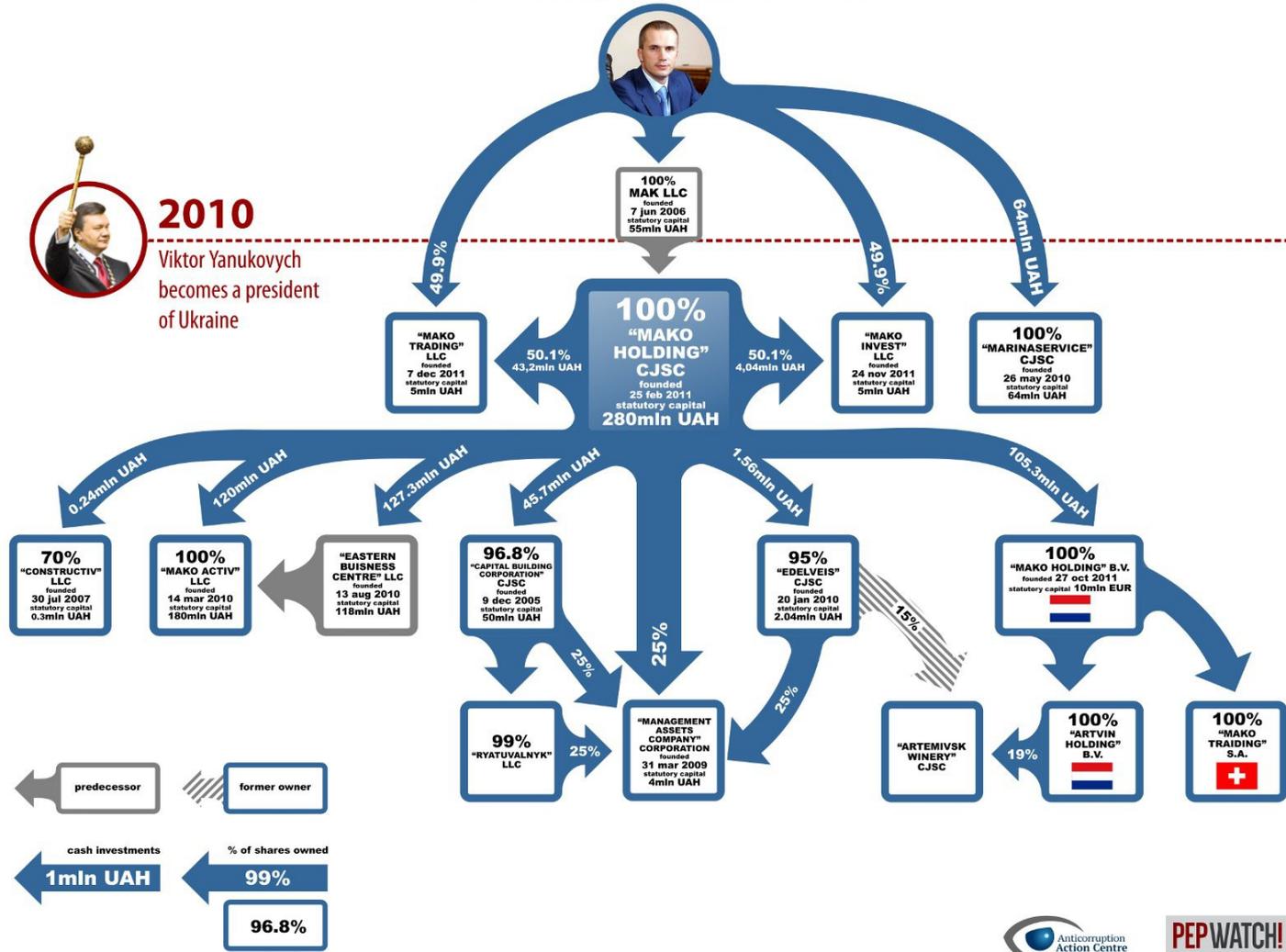
Mako Holding is a parent company of about 20 fascinatingly successful companies in Ukraine, Netherlands and Switzerland, most of which mushroomed in 2010–2013, during the presidency of Mr. Viktor Yanukovych.

1. Oleksandr Yanukovych is a sole owner of [Mako Holding CJSC](#), which was established on February 25, 2011 with statutory capital of 55 million UAH. The company is successor of MAK LLC, which was suspended. MAK LLC was registered on June 7, 2006 and was wholly owned by Oleksandr Yanukovych.
2. Once established in 2011 Mako Holding had a negative profit in a balance sheet. In a year the company [showed](#) official net profit totaling to 197 million UAH.
3. On November 22, 2011 Mako Holding [issued](#) additional 450 000 shares in total value of 225 million UAH. In January 2012 Mr. Oleksandr Yanukovych officially bought all this stock with cash.
4. In September 2013 Oleksandr Yanukovych issued an [interest-free loan](#) to Mako Holding worth of 150 million UAH.

Mako Holding is a parent company of a series of energy, coal and development companies, which mushroomed in 2011–2013, specifically:

1. [CJSC Edelveis](#) was registered on January 20, 2010 in Donetsk by MAK LLC. In 2012 Mako Holding invested 1,56 million of UAH in CJSC Edelveis receiving 99% shared of Edelveis. During

BUSINESS STRUCTURES of OLEKSANDR YANUKOVYCH



2010 — 2012 the company used to be unprofitable. In 2011 Edelveis received 15,02% of Artemivsk Winery CJSC, which appeared to be quite profitable reporting net profit worth of 13,2 million of UAH in 2010, in 2011 net profit was 17,7 million of UAH, and in 2012 net profit was worth of 13,1 million of UAH. In June 2013 Edelveis transferred its stock of Artemivsk Winery to the Netherlands' based company ARTVIN Holding BV. Edelveis since 2011 has 25% shares of Corporation Management Assets Company.

2. Architecture-Engineering Company Constructiv LLC: registered in 2010. Mako Holding owns 70% shares of the company; in 2012 Mako Holding invested 248, 2 thousands of UAH to the company.
3. Mako Invest LLC: registered on November 24, 2011. Its statutory capital is 5 million of UAH divided by Mako Holding(51%) and Oleksandr Yanukovych (49%); in 2012 «Mako Holding» invested 4,04 millions of UAH to the Mako Invest LLC.
4. Mako Trading LLC: registered on December 7, 2011. Its statutory capital is 5 million UAH divided by Oleksandr Yanukovych (49%) and Mako Holding (51%); in 2012 Mako Holding invested 43,2 million UAH to the Mako Trading LLC. During the first quarter

of 2013 Mako Trading [exported](#) 370 thousand tons of energy coal with a price of 835 UAH per 1 ton thus totaling to 308,95 millions UAH. Key beneficiary of the [exported coal](#) became Swiss MAKO Trading SA, which is controlled by Mako Holding as well. Additionally, in 2013 the Mako Trading exported coal to Italian Energy Coal SPA, Croatian Nasicecement DD and Portuguese Carbol LDA. In 2012 Mako Trading exported 200 thousands tons of coal, which was received from state-owned enterprises Shakhterskanratsyt, Snezhnoye antratsyt and Torezantratsyt.

5. [Mako Activ LLC](#): registered on March 14, 2012. Its statutory capital is 180 million of UAH controlled on 99% by Mako Holding; in 2012 Mako Holding invested 20 million of UAH to the Mako Activ LLC.
6. [Management Assets Company Corporation](#): registered on March 31, 2009. Its statutory capital is 4 million UAH, which is equally shared by Mako Holding, Edelveis LLC, Capital Building Corporation CSJC, Ryatuvalnyk LLC.
7. [Ryatuvalnyk LLC](#) shares are controlled on 99% by Capital Building Corporation.
8. [Eastern Business Centre, LLC](#) was established on August 13, 2010. In 2012 Mako Holding [invested](#) to the company 127,3 millions of UAH; on 25th April, 2013 Mako Activ LLC became a successor of the Eastern Business Centre.
9. [Capital Building Corporation, CJSC](#); established on December 9, 2005. Since 2010 the company was controlled by MAK LLC; in 2012 Mako Holding invested to Capital Building Corporation 45,7 millions UAH receiving 96,8% of shares. In August 2013 Mako Holding issued an interest free loan in total of 20 million UAH to Capital Building Corporation.
10. [MAKO Holding B.V.](#) was established on October 27, 2011 in Netherlands by LiFe Holding AG, which was its sole shareholder until December 23, 2011, when Mako Holding bought all shares of the company. The [statutory capital](#) of Mako Holding B.V. is currently 10 million Euro. In 2012 Mako Holding invested 105,3 million of UAH to the MAKO Holding B.V., which as of December 31, 2012 didn't have employees either in Netherlands, nor abroad. Mako Holding B.V. is a sole shareholder of ARTVIN Holding BV, which owns [19% of Artemivsk Winery](#). MAKO Holding B.V. is a sole shareholder of Swiss based MAKO Trading SA.
11. [Marinaservice CJSC](#), registered on May 26, 2010 with initial statutory capital worth of 55 million of UAH by LLC MB Service. The initial statutory capital of Marinaservice CJSC was worth of 55 million of UAH, and was increased to 64 million in November 2012. Since third quarter of 2011 Oleksandr Yanukovych became a sole owner of the company. In 2010 Marinaservice bought four historical buildings in Balaklava Bay and received from the Ministry of Transportation an open-ended lease of hydro-technical facilities. In 2011 the company bought floating pantones, wave-breakers, administrative building and two apartment buildings. In total [all buildings](#) in Balaklava Bay cost Marinaservice 54,6 million of UAH. In 2010 the Ministry of Defence of Ukraine allowed

privatization of 8.4 hectar of land belonging to ship yard Metalist near Balaklava Bay and 1.8 hectar of Cape Aya, which were [leased](#) by Marinaservice. In 2011 Marinaservice leased 1.8 hectares of the Balaklava Bay. On July 16, 2013 the Sevastopol city administration issued 1.32 hectares of Balaklava bay land to the Marinaservice. Thus in total, Marinaservice acquired more than 10 hectares of precious access to water near Sevastopol.

3. Donbass Rozrahunkovo Finansovyi Centr, DRFC

While the UBD and Mako Holding with its subsidies officially belong to the business empire of Mr. Oleksandr Yanukovych, there remain a number of corporate structures with no direct legal ownership links to the son of Viktor Yanukovych. However, dozens of journalistic investigations provide evidence that Oleksandr Yanukovych is their beneficiary owner. Thus, allegedly Mr. Yanukovych is a beneficiary owner of highly profitable DRFC LLC, which is one of the leading businesses in coal and energy sectors of Ukraine.

Association Donbass Rozrakhunkovo-Finansovyi Centre (DFRC) was established in 1997 and until 2010 [was controlled by Eduard Prutnik](#), incumbent MP from Party of Regions and close friend of Mr. Viktor Yanukovych.

In June 2012 the Association was reorganized into Public Joint Stock Company Central Enrichment Factory Comsomolska, which shares are divided between 3 companies:

- [DRFC LLC](#), which invested 200,1 million UAH totaling to 74,18% shares
- Eastern Transport Company LLC, which invested 0,02 million UAH totaling to 0,01% of shares
- Regional Department of State Property Fund (State), which invested 69.6 million of UAH totaling to 25,81% of shares

Since November 26, 2013 DRFC LLC bought all shares, which previously belonged to the other parties.

In turn, DRFC LLC officially belongs to Sarone Holdings Limited registered in BVI, where the beneficial owner is hidden.

According to a number of journalistic investigations Mr. Oleksandr Yanukovych controls the company since 2010.

In 2011 DFRC LLC won state tenders totaling to [949,3 millions of UAH](#).

In summer 2012 DFRC privatized five state-owned factories for coal enrichment, specifically Uzlovskaya, Chervona Zirka, Komsomolskaya, Ukraine and Russia.

The factories are providing services for dozens of state-owned coal mining companies winning [multimillion tenders](#).

Enrichment of excavated coal is a necessary procedure for improving its quality and often coal-mines are working with enrichment factories, each enriches on average 2–2.5 million tons of coal per year.

In November 2012 the Ministry of Energy and Coal Mining [contested](#) the privatization claiming that

it was illegal to issue more than 50% of state-owned factories' shares to the private company DFRC. The commercial court in Donetsk, however, issued a decision in favor of DFRC relying to [recent changes in legislation](#), adopted in March 2012 a few months before privatization by legislative initiative of the president Viktor Yanukovich.

DFRC has been actively buying coal from so call «little mines» or «coal pits». According to data of the Ministry of Energy and Coal, at least 9 mln tones of coal is produced at coal pits, which have no safe working conditions and provide no social benefits to miners. The coal from pits is cheaper and can be purchased for 300–400 UAH per 1 ton, which the regular coal mines sell for 800–1000 UAH per 1 ton. Taking into consideration that DFRC [sells](#) its coal to the electric stations for 925 UAH per ton the difference is a pure profit for DFRC, which in combination with heavy state subsidies helps DFRC to be one of the leading company in the coal business in Ukraine.

According to journalistic investigations since April 2012 Mako Trading is acting as a [guarantor of export operations](#) conducted by coal enrichment factory Chervona Zirka, which belongs to DRFC. During first quarter of 2013 Chervona Zirka exported about 4300 tons of coal to Poland and Czech Respublic with price of 820 UAH per ton.

Finally, there is one more company called [LE MARE, LLC](#), which could be included to the list of Yanukovyches business structures. [Yanukovych Olena](#), the wife of Oleksandr Yanukovich, is owner of the company with 20 mln UAH of statutory capital. The company allegedly [possesses](#) a fancy fitness centre in Donetsk called [LE-MAREE](#).